



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 26, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

FORMER COMMERCIAL REFRIGERATION COMPANY MANAGER INDICTED ON RIGGING BIDS ON CONTRACTS TO SAFEWAY GROCERY STORES IN ARIZONA

WASHINGTON — A federal grand jury in Phoenix returned an indictment charging a former commercial refrigeration company manager with participating in a conspiracy to rig bids on contracts for the installation of commercial refrigeration equipment in Safeway Inc. grocery stores in the Phoenix metropolitan area, the Department of Justice announced today.

The indictment, filed today in the United States District Court in Phoenix, charged that James Govostes participated with unnamed co-conspirators in the conspiracy which took place beginning in or around January 2005 and continuing until May 16, 2005. At the time of the conspiracy, Govostes served as a regional manager for an unnamed co-conspirator company engaged in the installation of commercial refrigeration in the Phoenix metropolitan area and elsewhere.

This is the first charge as a result of the Department's ongoing antitrust investigation into the commercial refrigeration industry.

"The Antitrust Division is committed to prosecuting those who damage the integrity of the free market by conspiring to rig bids," said Thomas O. Barnett, Assistant Attorney General in charge of the Department of Justice's Antitrust Division.

The indictment charges that Govostes and his co-conspirators engaged in the following actions involving commercial refrigeration installation projects at Safeway grocery stores:

- Discussed among themselves the submission of bids;
- Agreed to allocate bids among themselves according to which company had a maintenance agreement in place at a particular grocery store;
- Solicited other individuals to join and facilitate the conspiracy;
- Designated which company would submit the low bid and submitted a rigged bid; and
- Accepted payment from Safeway for work done as a result of the conspiracy.

Govostes is charged with bid rigging in violation of the Sherman Act. The felony charge carries a maximum fine for an individual of \$1 million and up to 10 years in prison. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime if either of those amounts is greater than the statutory maximum fine.

Today's charges resulted from the Antitrust Division's investigation of the commercial refrigeration industry being conducted by its Chicago Field Office in conjunction with the Phoenix office of the Federal Bureau of Investigation and the United States Attorney's Office located in Phoenix.

Anyone with information concerning bid-rigging or other anticompetitive conduct in the commercial refrigeration industry should contact the Antitrust Division's Chicago Field Office at 312-353-7530 or the FBI's Phoenix office at 602-279-5511.

###

06-651